

Summary of Legitimate Interseries Differences

between the

Report of Transaction Accounts, Other Deposits and Vault Cash
(FR 2900)

and the

Statement of Financial Condition
(NCUA 5300/5300SF)

Credit Unions

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Background

“Interseries editing” compares data reported as of similar dates for analogous items from two different reports. Interseries editing enhances data quality by reconciling reporting discrepancies. Such discrepancies may be the result of a reporting error or may instead reflect legitimate differences between item definitions associated with the two reports. This document describes legitimate differences between the **Report of Transaction Accounts, Other Deposits and Vault Cash (FR 2900)** and the **Statement of Financial Condition (NCUA 5300/5300SF)**, hereafter referred to in this document as the credit union Call Report.

Interseries edits are performed each quarter for each credit union that files the FR 2900. For weekly FR 2900 reporters, interseries edits are based on a single day’s data from the two reports on the Call Report date; for quarterly FR 2900 reporters, interseries edits are based on weekly-average FR 2900 data reported for a given quarter and single-day Call Report data for that same quarter. The interseries edit tolerance amounts for FR 2900 quarterly reporters are wider than they would be for weekly updates to take this timing difference into account. Consequently, for quarterly FR 2900 reporters, “timing difference” would generally explain a large interseries edit discrepancy in unusual cases only.

A table showing all of the interseries item comparisons that are calculated each quarter is shown in the next section, followed by a table summarizing most of the legitimate differences that might arise in reconciling those comparisons. Next, two types of legitimate differences are discussed in detail: *general legitimate differences* that are valid for any item comparison, and *specific legitimate differences* that are valid only for the particular items being compared.

Interseries Edits for Credit Unions

The following table shows the interseries item comparisons calculated each quarter for all credit unions that file the FR 2900 report, either weekly or quarterly.

Detailed Interseries Item Comparisons for Credit Unions			
FR 2900		NCUA 5300/5300SF	
Line	Description	Code	Description
A.2.	ATS accounts and NOW accounts/share drafts, etc.	902	Liabilities, line 4 (Share drafts)
B.1. + B.2.	Demand balances due from DIs + CIPC	730B	Assets, line 2.c (Total cash on deposit)
C.1.	Total savings deposits	657 + 911 + 630	Liabilities, line 5 (Regular shares) + Schedule F, column C, line 2 (Money market shares) + Schedule F, column C, line 5 (All other shares)
D.1.	Total time deposits	908C + 906C	Schedule F, column C, line 3 (Share certificates) + Schedule F, column C, line 4 (IRA/Keogh accounts)
E.1.	Vault cash	730A	Assets, line 1 (Cash on hand)
A.3. + C.1. + D.1.	Total deposits: Total transaction accounts + Total savings deposits + Total time deposits	018	Liabilities, line 7 (Total shares and deposits)

Summary of Legitimate Differences for Credit Unions	
FR 2900 <i>less than</i> Call Report	FR 2900 <i>greater than</i> Call Report
<i>Share Drafts</i>	
<ul style="list-style-type: none"> FR 2900 excludes balances at non-U.S. branches of the reporting institution. 	<ul style="list-style-type: none"> FR 2900 must include in share drafts any share accounts whose withdrawal limits are routinely exceeded or are not monitored, while these balances are reported as share accounts on the Call Report. (Note that withdrawals from share accounts made <i>in person</i> are not subject to limits; see FR 2900 instructions.) FR 2900 includes non-member deposits.
<i>Demand Balances Due From DIs + Cash Items in Process of Collection (CIPC)</i>	
<ul style="list-style-type: none"> FR 2900 item only includes balances subject to <i>immediate</i> withdrawal by the reporting institution, while the Call Report item may include balances not subject to immediate withdrawal. FR 2900 item only includes those balances due from depository institutions <i>in the U.S.</i>, while the Call Report item may include balances due from depository institutions <i>outside the U.S.</i> FR 2900 excludes balances at non-U.S. branches of the reporting institution. 	<ul style="list-style-type: none"> None.
<i>Total Savings Deposits</i>	
<ul style="list-style-type: none"> FR 2900 must include in share drafts any share accounts whose withdrawal limits are routinely exceeded or are not monitored, while these balances are reported as share accounts on the Call Report. (Note that withdrawals from share accounts made <i>in person</i> are not subject to limits; see FR 2900 instructions.) FR 2900 excludes balances at non-U.S. branches of the reporting institution. 	<ul style="list-style-type: none"> FR 2900 item includes primary obligations in the form of savings deposits (share accounts), while the Call Report items <i>do not</i> include primary obligations. FR 2900 item includes IRA and Keogh balances in the form of savings deposits (share accounts), while the Call Report items do not include <i>any</i> IRA and Keogh accounts. FR 2900 includes non-member deposits.
<i>Total Time Deposits</i>	
<ul style="list-style-type: none"> FR 2900 item includes only IRA and Keogh balances in the form of time deposits (share certificates), while the Call Report item includes <i>all</i> IRA and Keogh balances. FR 2900 excludes balances at non-U.S. branches of the reporting institution. 	<ul style="list-style-type: none"> FR 2900 item includes primary obligations with original maturities of seven days or more, while the Call Report items <i>do not</i> include primary obligations. FR 2900 includes non-member deposits.
<i>Vault Cash</i>	
<ul style="list-style-type: none"> FR 2900 item excludes vault cash in the form of <i>foreign</i> currency, while the Call Report item does not. FR 2900 excludes balances at non-U.S. branches of the reporting institution. 	<ul style="list-style-type: none"> None.

Summary of Legitimate Differences for Credit Unions	
FR 2900 <i>less than</i> Call Report	FR 2900 <i>greater than</i> Call Report
<i>Total Deposits</i>	
<ul style="list-style-type: none"> FR 2900 excludes balances at non-U.S. branches of the reporting institution. 	<ul style="list-style-type: none"> FR 2900 item includes primary obligations, while the Call Report item <i>does not</i> include primary obligations. FR 2900 includes teller's checks while the Call Report item does not.

Note: This table excludes late adjustments and interpretive differences because these legitimate differences are circumstance specific.

General Legitimate Differences

The following legitimate differences may apply to any interseries item comparison.

Consolidation

The FR 2900 report consolidates the head office and all branches (and operation subsidiaries and service corporations, if applicable) located in the 50 states of the United States, the District of Columbia, or on U.S. military facilities, wherever located. The Call Report also consolidates branches of the reporting institution that are located outside the U.S.

Late Adjustments

Differences between FR 2900 and Call Report items frequently result from timing differences in the preparation of the two reports.

The FR 2900 is usually prepared a day or two after the report as-of date, while the Call Report is typically prepared weeks after its as-of date. As a result, Call Report items correctly include "late adjustment" amounts. The inclusion of late adjustments in Call Report values may make the FR 2900 item larger or smaller than corresponding Call Report item, depending on the type of late adjustments that were made and the items being compared.

The FR 2900 report should be revised to reflect late adjustments that are material. Single-day FR 2900 data for the Call Report date should not automatically be revised merely to match the Call Report.

Primary Obligations

Deposit balances on the FR 2900 may include primary obligations while deposit balances on the Call Report do not.

Certain liabilities of the reporting institution issued to nonexempt entities (e.g., nondepositories, such as individuals or businesses) are considered primary obligations. Except for a special class of due bills, similar liabilities issued to exempt entities (e.g., depository institutions) are not considered primary obligations. Primary obligations are reported as deposits on the FR 2900 because they are subject to reserve requirements and are considered part of the monetary aggregates. On the Call Report, however, primary obligations are not reported as deposits. For more information on primary obligations and a complete listing of exempt and nonexempt entities, see the FR 2900 instructions "Glossary of Terms," and General Instructions, "Deposits as Defined Under Regulation D."

Interpretive Differences

Some items may be classified on the Call Report as either deposits or accounts payable and other liabilities. On the FR 2900, these items are generally reported as deposits. When reported as accounts payable and other liabilities on the Call Report, these items are omitted from the Call Report items used in interseries edit comparisons, making FR 2900 balances higher than Call Report balances when these items are present.

Examples of items that may be classified in this manner are: undistributed payments, advance payments of taxes and insurance, undistributed payroll deductions (withheld payroll taxes), and funds received in the course of servicing loans for others.

Specific Legitimate Differences

The most common explanations given for valid legitimate differences are discussed in turn below.

1. Share Drafts

FR 2900		NCUA 5300/5300SF	
Line	Description	Code	Description
A.2.	ATS accounts and NOW accounts/share drafts, etc.	902	Liabilities, line 4 (Share drafts)

Legitimate Difference:

Non-U.S. Branches: FR 2900 balance may be less than Call Report balance. The FR 2900 excludes balances at non-U.S. branches of the reporting institution, while the Call Report includes such balances.

Withdrawal Limits: FR 2900 balance may be greater than Call Report balance. FR 2900 reporting follows Regulation D, which limits the number of withdrawals from savings accounts for reserve requirement purposes. If withdrawal limits are routinely exceeded, or if a credit union does not monitor the number of withdrawals from its share accounts, affected share account balances must be reported as share drafts on the FR 2900, while these balances are reported as share accounts on the Call Report. (Note that withdrawals from share accounts made *in person* are not subject to limits; see FR 2900 instructions.)

IRA and Keogh Deposits: FR 2900 balance may be greater than Call Report balance. The FR 2900 item includes IRA and Keogh balances in the form of share drafts, while the Call Report item does not include *any* IRA and Keogh accounts.

Non-Member Deposits: FR 2900 balance may be greater than Call Report balance. Non-member deposits in the form of ATS accounts, NOW accounts, and telephone and preauthorized transfers are included in the FR 2900 item, but are excluded from the Call Report item.

2. Demand Balances Due From DIs plus Cash Items in Process of Collection (CIPC)

FR 2900		NCUA 5300/5300SF	
Line	Description	Code	Description
B.1. + B.2.	Demand balances due from DIs + CIPC	730B	Assets, line 2.c (Total cash on deposit)

Legitimate Differences:

Demand Balances: FR 2900 balance may be less than Call Report balance because the Call Report item may include balances that do not meet the Regulation D definition of *demand* balances. FR 2900 line B.1 includes all balances due from depository institutions that are subject to *immediate* withdrawal by the reporting institution (i.e., no notice period prior to withdrawal is associated with these deposits, regardless of whether a notice period is ever actually exercised). The Call Report item includes balances on deposit in financial institutions and deposits in transit. The balances on deposit in financial institutions (e.g., overnight accounts at a bank or corporate credit union, corporate credit union daily accounts, and

checking accounts) may or may not be subject to immediate withdrawal.

Depository Institutions Outside the U.S.: FR 2900 balance may be less than Call Report balance. FR 2900 line B.1 only includes those balances that are due from depository institutions *in the United States*. The Call Report item may include balances that are due from depository institutions *outside the United States*.

Non-U.S. Branches: FR 2900 balance may be less than Call Report balance. The FR 2900 excludes balances at non-U.S. branches of the reporting institution, while the Call Report includes such balances.

3. Total Savings Deposits

FR 2900		NCUA 5300	
Line	Description	Code	Description
C.1.	Total savings deposits	657 + 911 + 630	Liabilities, line 5 (Regular shares) + Schedule F, column C, line 2 (Money market shares) + Schedule F, column C, line 5 (All other shares)

Legitimate Differences:

Withdrawal Limits: FR 2900 balance may be less than Call Report balance. FR 2900 reporting follows Regulation D, which limits the amount of withdrawals from savings accounts for reserve requirement purposes. If withdrawal limits are routinely exceeded, or if a credit union does not monitor the number of withdrawals from its share accounts, affected share account balances must be reported as share drafts on the FR 2900, while these balances are reported as share accounts on the Call Report. (Note that withdrawals from share accounts made *in person* are not subject to limits; see FR 2900 instructions.)

Non-U.S. Branches: FR 2900 balance may be less than Call Report balance. The FR 2900 excludes balances at non-U.S. branches of the reporting institution, while the Call Report includes such balances.

Primary Obligations: FR 2900 balance may be greater than Call Report balance because primary obligations in the form of savings deposits must be included in the FR 2900 item, while the Call Report items *do not* include primary obligations.

IRA and Keogh Deposits: FR 2900 balance may be greater than Call Report balance. The FR 2900 item includes IRA and Keogh balances in the form of savings deposits (share accounts), while the Call Report items do not include *any* IRA and Keogh accounts.

Non-Member Deposits: FR 2900 balance may be greater than Call Report balance. Non-member deposits in the form of savings or MMDA deposits are included in the FR 2900 item, but are excluded from the Call Report item.

4. Total Time Deposits

FR 2900		NCUA 5300	
Line	Description	Code	Description
D.1.	Total time deposits	908C + 906C	Schedule F, column C, line 3 (Share certificates) + Schedule F, column C, line 4 (IRA/Keogh accounts)

Legitimate Differences:

IRA and Keogh Deposits: FR 2900 balance may be less than Call Report balance. The FR 2900 item only includes IRA and Keogh balances in the form of time deposits (share certificates)—it does not include IRA and Keogh balances in the form of share drafts or share (savings) accounts—while the Call Report item includes *all* IRA and Keogh balances, regardless of the account type.

Non-U.S. Branches: FR 2900 balance may be less than Call Report balance. The FR 2900 excludes balances at non-U.S. branches of the reporting institution, while the Call Report includes such balances.

Primary Obligations: FR 2900 balance may be greater than Call Report balance because primary obligations with original maturities of seven days or more must be included in the FR 2900 item, while the Call Report items *do not* include primary obligations.

Non-Member Deposits: FR 2900 balance may be greater than Call Report balance. Non-member deposits in the time deposits are included in the FR 2900 item, but are excluded from the Call Report item.

5. Vault Cash

FR 2900		NCUA 5300/5300SF	
Line	Description	Code	Description
E.1.	Vault cash	730A	Assets, line 1 (Cash on hand)

Legitimate Difference:

Foreign Currency: FR 2900 balance will be less than Call Report balance by the amount of foreign currency held as vault cash. The FR 2900 item excludes foreign currency in the vault of the reporting institution, while the Call Report item includes it.

Non-U.S. Branches: FR 2900 balance may be less than Call Report balance. The FR 2900 excludes balances at non-U.S. branches of the reporting institution, while the Call Report includes such balances.

6. Total Deposits

FR 2900		NCUA 5300/5300SF	
Line	Description	Code	Description
A.3. + C.1. + D.1.	Total deposits: Total transaction accounts + Total savings deposits + Total time deposits	018	Liabilities, line 7 (Total shares and deposits)

Legitimate Difference:

Non-U.S. Branches: FR 2900 balance may be less than Call Report balance. The FR 2900 excludes balances at non-U.S. branches of the reporting institution, while the Call Report includes such balances.

Primary Obligations: FR 2900 balance may be greater than Call Report balance because primary obligations must be included in the FR 2900 items, while the Call Report item *does not* include primary obligations.

Teller's Checks: FR 2900 balance may be greater than Call Report balance because FR 2900 line A.3 includes teller's checks, while the Call Report item does not.